

June, 21, 2010

WASHINGTON, DC - In a letter sent on Thursday, June 17, 2010, U.S. Rep. Michael A. Arcuri (NY-24) called on U.S. Department of Agriculture (USDA) Secretary Thomas Vilsack to take action to address the increasingly high cost of production facing struggling dairy farmers across Upstate New York. Local farmers, who are unable to turn a profit because of the disparity between the price of milk and their cost of production, have become so distressed they are threatening a wide-scale milk dump.

"Although milk prices have increased since the market bottomed out last summer, our local dairy farmers are still unable to recoup costs and are sinking deeper and deeper into debt," said Arcuri. "Unless USDA acts now to more effectively factor in the cost of production when determining milk prices, I fear our dairy farmers will hit their breaking points and put an entire industry at risk-something the Upstate New York economy cannot afford."

In the letter, Arcuri urged Secretary Vilsack to use the authority to take the cost of production into account when determining Class I milk prices. Class I, or fluid milk, has the highest value, and likewise the price of Class I milk at market is one of the most important factors used to calculate the blend price farmers are paid at the gate for their product. Although milk prices have increased since the 2009 collapse, the high cost of feed and other inputs continues to stand in the way of financial security for many farmers still struggling to rebuild after one of the worst years for dairy in the past four decades. Raising Class I milk prices would increase the amount paid to farmers, helping them recoup the cost of production and become profitable.

This is the fourth letter Arcuri has sent to Secretary Vilsack in the past year requesting action to increase dairy prices on behalf of the local dairy farmers. In March 2010, Arcuri and his colleagues asked the USDA to increase support prices for cheese and non-fat dried milk through the Dairy Product Price Support Program (DPPSP). Additionally, in 2009, Arcuri sent two separate letters to the Secretary requesting he increase dairy support prices to stabilize the market as the dairy industry experienced a freefall in the price of milk as a result of the worldwide economic recession.

Arcuri has also worked to address the high cost of production affecting dairy farmers by introducing legislation that would eliminate the transportation-related fees that they are currently

forced to pay to processors and including provisions in the 2008 Farm Bill that tie MILC support to increases in feed costs.

[Click here to view a copy of the letter sent to USDA Secretary Thomas Vilsack:](#)